

# **Exhibit 1**

**HISTORY AND SERVICES OF  
“CREDIT MANAGEMENT ASSOCIATION”  
[CREDIT MANAGERS ASSOCIATION OF CALIFORNIA]**

**HISTORY**

In 1883 a small group of Southern California merchants organized the Los Angeles Board of Trade. The purposes of the organization were to handle the problems of distressed business debtors and to help attract businesses to Southern California. These early members also learned that an exchange of factual data concerning their dealings with customers would increase the safety of their extensions of credit.

Soon after, the original group developed the Los Angeles Chamber of Commerce, which took over the civic growth functions. The original organization became the **Los Angeles Wholesalers' Board of Trade**, which better described its services to manufacturers, wholesalers and other industry groups. The “Board of Trade” originally had about 60 member firms.

For more than 50 years the Board of Trade also administered commercial insolvency cases through creditor-controlled extension agreements, compromise settlements and general assignments for the benefit of creditors. It also assisted members and other creditors in bankruptcies, probate proceedings and fire insurance matters.

Separately, the **Los Angeles Credit Men's Association** was organized in the early 1900's, affiliated with the **National Association of Credit [Men] Management (NACM)**. The Credit Association provided services in areas other than business adjustments such as legislation on both the national and state levels, credit education, credit reporting and industry credit groups, and through its Collection Division, a licensed agency operating for its members.

As the years went by, it became evident that the two organizations had largely common members. In 1944 they merged as the **Los Angeles Credit Managers Association**. The Los Angeles Wholesalers' Board of Trade became the Adjustment Bureau of the merged organization.

Continued growth widened the area served by the Association, and in 1952 the name was changed to **Credit Managers Association of Southern California**. In 1961 the Association was incorporated under the new California Nonprofit Corporation law.

The concept of member-directed, mutual benefit credit associations also developed in Northern California. **The Board of Trade of San Francisco** was organized in 1877, concentrating on business collections and adjustments. Meanwhile, two other member-controlled organizations were created early in the century to meet other member needs. One became known as Credit Managers Association of Northern California (later, **NACM-Northern & Central California**, or NACM-NCC) and the other, the **Oakland Wholesalers Association**. All three organizations were affiliated with NACM until the mid-1970's when The Board of Trade of San Francisco left NACM, the Oakland association later following suit.

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In 1983 Oakland Wholesalers Association merged into The Board of Trade of San Francisco. In 1988 NACM-NCC merged into the Southern California association, which was renamed **Credit Managers Association of California (CMAC)**. In 1990 CMAC acquired the assets of The Board of Trade of San Francisco, thereby consolidating what had been five separate business credit organizations into one regional Association with about 2,500 members, the largest and most financially secure of any of NACM's 50+ affiliated credit associations.

Moving into the new millennium, CMA has changed along with the rest of the world. We developed an informative and well visited web site, [www.CreditManagementAssociation.org](http://www.CreditManagementAssociation.org). In addition, in order to better relate our identity to our mission rather than geography, the association adopted the trade style, **Credit Management Association**, in our marketing and our everyday business transactions.

CMA's headquarters is in Burbank. Chapter offices are in San Leandro, California, Reno, Nevada, and Las Vegas. Personnel are highly trained and committed to member service above all else.

**SERVICE DEPARTMENTS**

CMA operates the following service departments:

Adjustment Bureau (business insolvency cases)  
Asset Liquidation Division (auctions and appraisals)  
Collection Division  
Credit Information Services, including:  
    Credit Reporting Department  
    Industry Credit Group Department  
Lien Service and Public Record Access (Construction Industry)  
Credit Education  
Human Resources Services, including:  
    Creditemps (a "temp" service involving credit personnel)  
    Employment Exchange  
Legislation, including the "California Business Credit  
    Political Action Coalition (PAC)"

**ADJUSTMENT BUREAU**

The Mission of the Adjustment Bureau's activities is:

- To provide efficient administration of commercial insolvency cases;
- To prevent fraud and unfair settlements, and
- To provide such other services as may be for the best interests of members and other affected elements of the business community.

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The Adjustment Bureau's trained personnel assist: in the rehabilitation or, if necessary, liquidation, of distressed businesses; and assist creditors and debtors in settlement of debts and conservation of assets in the following types of **out of court** cases:

- \* Extension agreements
- \* Compromise settlements
- \* General assignments for the benefit of creditors

The Adjustment Bureau also acts in **Chapter 11 cases** as a Secretary to Creditors Committees and as a Disbursing Agent or Liquidating Agent under Plans of Reorganization., and in state court cases as Receiver.

ASSET LIQUIDATION DIVISION

The Asset Liquidation Division (ALD), established in 1989, is a growing resource that provides professional auction, appraisal and asset marketing services to members, secured lenders, bankruptcy trustees and others on a local, regional and national basis. ALD will also purchase assets outright, removing the element of risk if the situation warrants and the client (consignor) so wishes.

COLLECTION DIVISION

The Collection Division is a professional, bonded commercial collection agency whose services are utilized by members and other clients for the collection of delinquent business accounts. The Collection Division also assists the Adjustment Bureau to maximize recovery on receivables in general assignments and other cases.

Collections in California are handled by the experienced staff in the Burbank office. The CMA-Las Vegas office also provides local, professional collection services licensed under Nevada law. The Collection Division charges competitive rates pursuant to the guidelines of the Commercial Law League of America (CLLA). CMA is a member of the CLLA Agency Section.

CREDIT INFORMATION SERVICES

**Credit Reporting Department.**

CMA's credit reporting service was organized in 1902 and operated as the *Credit Interchange Bureau* for over 85 years, featuring an exchange of payment history information on an "inquiry" basis. Technology changed the nature of this service, but the modern Credit Reporting Department continues to serve members' needs for fresh, accurate trade account information from national and international automated databases operated by Experian, Dun & Bradstreet and other resources including international reports. Public record filings and other information are also available.

The Credit Reporting Department is approved and endorsed by the National Association of Credit Management and continues to be one of the most practical and efficient methods for the exchange of factual information on trade accounts receivable.

**Industry Credit Groups Department.**

This Department administers over 90 Industry Credit Groups, primarily locally throughout California and in southern Nevada, as well as on a national and regional basis. Approximately 1500 members of CMA participate in these groups, most of which meet monthly. The Department furnishes several types of credit reports on customers, information on returned checks, round table discussion and educational presentations. Many members value the "networking" opportunities provided by the Industry Credit Group service as one of the most important benefit of membership in the Association. CMA's trained representatives also ensure compliance with national and state antitrust laws and help to protect members from other legal exposure. Confidentiality is a key component of Industry Credit Group functions.

CREDIT EDUCATION

To help prepare credit personnel at all levels, CMA's educational affiliate, the **Credit Executives Educational Foundation**, sponsors the **California Institute of Credit** and the **Southern Nevada Institute of Credit**. The Institutes offer seminars, workshops and courses in many subjects related to business credit and financial management, and sponsor credit-related courses at local universities and other locations.

Courses and seminars offered through the Institutes of Credit are accredited by NACM. Dedicated credit professionals may earn NACM awards culminating in the prestigious "Certified Credit Executive" (CCE) designation.

Since all members of CMA are automatically members of NACM, they are eligible to participate in the **Graduate School of Credit & Financial Management**, whose summer sessions attract "the best and brightest" credit professionals. Other NACM schools offer intermediate and senior credit executives outstanding educational opportunities that position credit executives for career advancement.

EMPLOYMENT-RELATED SERVICES**Creditemps / Employment Exchange.**

CMA has long referred qualified credit personnel to members and other companies. CMA maintains a database of qualified candidates, including resumes. There is no charge to either the employer or employee for this service.

A company may at times need qualified help on a *temporary* basis. In such situations the "**Creditemps**" service makes available CMA's database of credit personnel. If a connection is made *Creditemps* contracts (places) the individual chosen by the company-client and pays the individual as a contract professional. The individual's name and resumé remain in the database, however, in case a "regular" job comes up. In many instances the *Creditemp* (individual) and the company make a "connection" leading to a "temp to hire" progression.

CONSTRUCTION LIEN SERVICE / PUBLIC RECORDS ACCESS

The CMA-Las Vegas office files preliminary liens, stop notices and mechanics liens on behalf of material suppliers in the construction trades, in California and other states as well as Nevada. Clients may also access public record information concerning preliminary liens, stop notices and mechanics liens, as well as job site ownership. Access is via telephone to the CMA office in Las Vegas or by remote terminal to the central database.

CALIFORNIA BUSINESS CREDIT  
POLITICAL ACTION COALITION (PAC)

The California Business Credit PAC is "The Voice of Business Credit" in Sacramento, representing the interests of members in proposed business credit-related legislation before the California State Legislature. The PAC restricts its activities to lobbying specific legislation and scrupulously avoids support for political candidates. Under State law, participation in the PAC is entirely voluntary.

NACM performs similar lobbying activities on behalf of the business credit industry on a national basis. NACM's lobbyist is well known to members of Congress and their staff, preserving business creditors' interests in pertinent legislation, especially in bankruptcy and privacy issues.

PUBLICATIONS

CMA's members receive NACM's magazine, *Business Credit*, which addresses members on pending activities as well as informative articles by legal and professional experts.

Reference works and textbooks on credit management are published by NACM or its affiliated Credit Research Foundation. CMA has also established a "lending library" for members wishing to access selections from the "NACM Bookshelf."

SPECIAL EVENTS

The *NACM Western Region Credit Conference* attracts about 300 credit personnel to its event each fall. This Conference has become known throughout the West as an easily accessible opportunity for education and networking among members of the affiliated associations of NACM's Western Region. Site for the Conference in recent years has been Las Vegas.

The *NACM Credit Congress* in May or June has been a regular feature since NACM's founding in 1896. The Credit Congress attracts about 2000 credit professionals and guests and features general sessions, breakouts and tutorials in all phases of business credit and financial management.

In addition, early each year NACM convenes its *Critical Issues & Government Affairs Conference* in the Washington, DC, area. Conducted by the NACM Government Affairs Committee and NACM's Washington lobbyist, the Conference offers members a rare

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educational experience as well as the opportunity for in-person sessions on Capitol Hill with each delegate's US Senators and Representative(s).

## FOR FURTHER INFORMATION:

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**[www.CreditManagmentAssociation.org](http://www.CreditManagmentAssociation.org)**  
**[www.bankruptcy-alternative.com](http://www.bankruptcy-alternative.com)**  
**[www.anscers.com](http://www.anscers.com)**

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